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RPS-0561

Copy 1 of 6

21 May 1958

MEMORANDUM FOR THE RECORD

SUBJECT : Transfer of Project Aircraft Spares to F.O.G.

1. As a result of a complete loss of five (5) aircraft and periodically incurring heavy damage to remaining aircraft through training operations, the Air Force is desirous of fabricating five (5) additional U-2 aircraft for their inventory. The decision to proceed with the construction of these additional articles is based upon utilizing sufficient spare parts and spare assemblies from both Project CHALICE stocks and the Air Force's own stocks. By using these spares, it will save a great deal of time and cost which would be required to set up the tooling which is presently stored at the Project Depot and manufacture the articles. If sufficient parts are made available, only final jig assembly fixtures and minor control assembly fixtures need be set up.

2. Lockheed made an analysis of spare parts used by both organizations over the past two years. They projected the requirements for the next two years by using the same quantities and doubling them. A list of the balance of spares was prepared, which they considered excess to the requirements of both groups for the next two years. This list was screened by the Project and F.O.G. Depots and inventories were taken to determine its accuracy. As a result of this action, a joint meeting was held and a revised list was generated which in the opinion of both groups was considered excess to their requirements. Attached is that part of the list which could be furnished from Project stocks. These items have been reviewed by the Director of Material and by concurrence to this memorandum signifies that such parts could be transferred to F.O.G. without affecting Project Support.

3. The dollar value of the parts to be transferred is presently being computed by the Project and F.O.G. Depots. If the contemplated transfer is approved, the Project Comptroller will be furnished the costs of all assets transferred.

4. Based upon the Contractor's and Project Depots analysis of the spare part consumption rate together with the anticipated Project

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utilization of the aircraft, it is recommended that approval be granted for the Director of Materiel to transfer the subject spares to the Air Force for use in the construction of five (5) additional aircraft.

25X1 [redacted]

Contracting Officer

CONCURRENCES:

25X1 [redacted]

Director of D and P, DPS/DCI

25X1 [redacted] 1/3/58

Finance, DPS/DCI

25X1 [redacted]

Director of Materiel, DPS/DCI

25X1 [redacted]

Security, DPS/DCI

Approval of Recommendation in Paragraph 4.

25X1 [redacted]

RICHARD M. BISSELL, JR.
Special Assistant to the Director
for Planning and Development

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